GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3381
ANSWERED ON:18.12.2015
Economic Offences
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Will the Minister of FINANCE be pleased to state:

(a) whether there is an increase in number of economic offences committed by borrowers / companies / firms in the country and if so, the details thereof;

(b) whether the Government monitors the cases of economic offences committed by unscrupulous elements regularly in the country and if so, the details thereof;

(c) the number of cases which have been registered during each of the last three years and the current year and the action taken thereon; and

(d) the steps taken / being taken by the Government to address this serious issue?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(a) to (d): Central Bureau of Investigation (CBI) has informed that they have registered 723 cases related to Economic offences during the last 3 years. The year-wise break up are as under:-

Year	No. of cases registered
2012	179
2013	164
2014	221
2015 (up-to 30.11.2015)	159
Total	723

Directorate of Enforcement(ED) has intimated that the number of cases registered by the Enforcement Directorate under Foreign Exchange Management Act, 1999 (FEMA) and Prevention of Money Laundering Act, 2002(PMLA) and action taken during the last three Financial Years and Current year is as follows:

Financial Year	Cases registered under FEMA	Cases registered under PMLA
2012-13	1722	221
2013-14	1041	209
2014-15	915	178
2015-16(As on 31.10.2015)	572	65

Financial Year	Cases adjudicated under FEMA	Penalty imposed under FEMA(Rs. In crore)	Value of assets attached under PMLA(Rs.in crore)
2012-13	532	125.02	2358.10
2013-14	780	78.13	1773.40
2014-15	818	62.16	3657.10
2015-16(As on 31.10.2015)	266	67.28	1305.76

Reserve Bank of India (RBI) has informed that they do not have specific information on economic offences. However, RBI collates information on fraud cases of Rs. 1 lakh and above as reported by the banks. Details of the last three years and current year is as follows:-

(Amount in Rs. Crore)

2012-13		2013-14		2014-15		April, 2015 − Sept., 2015	
No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
4235	8648.78	4305	10169.60	4639	19380.99	2388	7413.59

RBI has further informed that a Master Circular has been issued on "Frauds − Classification and Reporting" vide RBI. DBS.CFMC.BC.No.1/23.04.001/2015 − 16 dated July 01, 2015 containing all the details / aspects relating to frauds. The same is also available on the website of RBI i.e. www.rbi.org.in. On receipt of fraud reports from banks, various aspects related to the frauds are examined and concerned banks are advised to report the case to Central Bureau of Investigation / Police / Serious Fraud Investigation Office, examine staff accountability, complete proceedings against the erring staff expeditiously, take steps to recover

the amount involved in the fraud, claim insurance wherever applicable and streamline the system as also procedures so that frauds do not recur. To compress the time taken in detection of fraud, a new frame work for handling loan frauds has been put in place. The framework stipulates continuous monitoring of loan accounts, time bound actions at each stage of loan's life cycle and commencement of investigations on observing early warning signal in an account. These measures are expected to strengthen the internal fraud control mechanism and check the incidence of frauds.

Department of Financial Services, vide Circular dated 13.05.2015, has issued instructions to banks on streamlining the process of lodging complaints, inter-alia, to ensure prompt identification of frauds and taking prescribed follow-up actions, and Joint Director (Policy), CBI Headquarters and CVO, PSBs made nodal person for lodging of all bank fraud cases.

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